

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

This document relates to:

EURO BROKERS, INC., *et al.* v. AL BARAKA INVESTMENT AND DEVELOPMENT CORP., *et al.*,
Case No. 04-CV-07279

**DEFENDANT PEROUZ SEDAGHATY'S
ANSWER TO COMPLAINT**

Defendant Perouz Sedaghaty (“Sedaghaty”), through undersigned counsel, and pursuant to Rule 12, Fed. R. Civ. P., hereby submits his Answer to Plaintiffs’ Complaint (“Complaint”).

Background

1. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.
 2. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.
 3. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.
 4. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.
 5. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

Jurisdiction

6. Sedaghaty denies that this court has subject matter jurisdiction over him under 28 U.S.C. §§ 1331 and 1367, and 18 U.S.C. §§ 2334 and 2338 (Anti-Terrorism Act). Sedaghaty denies that jurisdiction over plaintiffs' claims against him is proper under 28 U.S.C. §§ 1330(a), and 1603-1611, because those provisions apply solely to actions against foreign states.

Venue

7. Sedaghaty denies that venue is proper under 28 U.S.C. §§ 1391(b)(2) and 1407. Sedaghaty denies that venue is proper under 28 U.S.C. § 1391(f)(1), because that provision applies solely to actions against foreign states.

Parties -- Plaintiffs

8. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

9. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

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16. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

Parties -- Defendants

17. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

18. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

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58. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

59. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

60. Sedaghaty denies the allegations in paragraph 60 insofar as they refer to the Al

Haramain Islamic Foundation, Inc. (“AHIF-USA”). Sedaghaty does not possess sufficient knowledge or information to admit or deny all other allegations contained in this paragraph.

61. Sedaghaty denies that AHIF-USA is a “necessary and integrated parts of the same foundation and are otherwise substantively interconnected” with al-Haramain Saudi Arabia, or that AHIF-USA is “financed, controlled and directed … by the ‘home’ office in Saudi Arabia.” Sedaghaty admits that Aqeel al-Aqeel and Mansour al-Kadi were formerly officers of AHIF-USA. Sedaghaty denies all other allegations in paragraph 61 insofar as they refer to AHIF-USA. Sedaghaty does not possess sufficient knowledge or information to admit or deny all other allegations contained in this paragraph.

62. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

63. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

64. Sedaghaty admits that the United States government has designated five groups in Afghanistan, Albania, Bangladesh, Ethiopia, and the Netherlands affiliated with al-Haramain (Saudi Arabia) as terrorist entities. Sedaghaty denies the allegations in paragraph 64 insofar as they refer to AHIF-USA. Sedaghaty does not possess sufficient knowledge or information to admit or deny all other allegations contained in this paragraph.

65. Sedaghaty admits that the United States government blocked AHIF-USA’s assets in February 2004, and designated it in September 2004, but denies that “its ‘charitable contributions’ were siphoned off to support Al Qaeda’s terrorist activities.” Sedaghaty does not possess sufficient knowledge or information to admit or deny the other allegations contained in this paragraph.

66. Sedaghaty admits that the United States government has designated four groups in Indonesia, Kenya, Tanzania, and Pakistan affiliated with al-Haramain (Saudi Arabia) as terrorist entities. Sedaghaty denies the allegations in paragraph 66 insofar as they refer to AHIF-USA. Sedaghaty does not possess sufficient knowledge or information to admit or deny all other allegations contained in this paragraph.

67. Sedaghaty admits that the United States government has designated two groups in Bosnia and Somalia affiliated with al-Haramain (Saudi Arabia) as terrorist entities. Sedaghaty denies all other allegations in paragraph 67 insofar as they refer to AHIF-USA. Sedaghaty does not possess sufficient knowledge or information to admit or deny all other allegations contained in this paragraph.

68. Sedaghaty denies the allegations in paragraph 68 insofar as they refer to AHIF-USA. Sedaghaty does not possess sufficient knowledge or information to admit or deny all other allegations contained in this paragraph.

69. Sedaghaty denies the allegations in paragraph 69 insofar as they refer to AHIF-USA. Sedaghaty does not possess sufficient knowledge or information to admit or deny all other allegations contained in this paragraph.

70. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

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88. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

89. Sedaghaty denies the allegations in paragraph 89 insofar as they refer to AHIF-USA. Sedaghaty does not possess sufficient knowledge or information to admit or deny all other allegations contained in this paragraph.

90. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

91. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

92. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

93. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

94. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

95. Sedaghaty denies the allegations in paragraph 95 insofar as they refer to AHIF-

USA. Sedaghaty does not possess sufficient knowledge or information to admit or deny all other allegations contained in this paragraph.

96. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

97. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

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the allegations contained in this paragraph.

130. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

131. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

132. Sedaghaty denies the allegations in paragraph 132 insofar as they refer to AHIF-USA. Sedaghaty does not possess sufficient knowledge or information to admit or deny all other allegations contained in this paragraph.

133. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

134. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

135. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

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141. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

142. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

143. Sedaghaty does not possess sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

CLAIMS

Count One — Property Damage

144. Sedaghaty hereby incorporates his responses to the previous allegations as if fully set forth herein.

145. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

146. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

147. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

148. No response is required to the allegations in this paragraph because the aiding and abetting cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

149. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

150. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

Count Two — Property Damage (Aiding and Abetting)

151. Sedaghaty hereby incorporates his responses to the previous allegations as if fully set forth herein.

152. No response is required to the allegations in this paragraph because the aiding and abetting cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

153. No response is required to the allegations in this paragraph because the aiding and abetting cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

154. No response is required to the allegations in this paragraph because the aiding and abetting cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

155. No response is required to the allegations in this paragraph because the aiding and abetting cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

156. No response is required to the allegations in this paragraph because the aiding and abetting cause of action was dismissed by the Memorandum Decision and Order of the Court

dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

157. No response is required to the allegations in this paragraph because the aiding and abetting cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

158. No response is required to the allegations in this paragraph because the aiding and abetting cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

Count Three — RICO

159. Sedaghaty hereby incorporates his responses to the previous allegations as if fully set forth herein.

160. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

161. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

Count Four — RICO

162. Sedaghaty hereby incorporates his responses to the previous allegations as if fully

set forth herein.

163. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

164. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

165. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

166. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

167. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

168. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated

September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

169. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

Count Five — RICO

170. Sedaghaty hereby incorporates his responses to the previous allegations as if fully set forth herein.

171. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

172. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

173. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

174. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated

September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

175. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

176. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

177. No response is required to the allegations in this paragraph because the RICO cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

Count Six — Property Damage: International Law

178. Sedaghaty hereby incorporates his responses to the previous allegations as if fully set forth herein.

179. No response is required to the allegations in this paragraph because the International Law cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

180. No response is required to the allegations in this paragraph because the

International Law cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

181. No response is required to the allegations in this paragraph because the International Law cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

182. No response is required to the allegations in this paragraph because the International Law cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

183. No response is required to the allegations in this paragraph because the International Law cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

Count Seven — Property Damage: Conspiracy

184. Sedaghaty hereby incorporates his responses to the previous allegations as if fully set forth herein.

185. No response is required to the allegations in this paragraph because this Count

was not pled against Sedaghaty. Further, the Conspiracy cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

186. No response is required to the allegations in this paragraph because this Count was not pled against Sedaghaty. Further, the Conspiracy cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

Count Eight — Property Damage: Aiding and Abetting

187. Sedaghaty hereby incorporates his responses to the previous allegations as if fully set forth herein.

188. No response is required to the allegations in this paragraph because the Aiding and Abetting cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

189. No response is required to the allegations in this paragraph because the Aiding and Abetting cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

Count Eight — Punitive Damages

190. Sedaghaty hereby incorporates his responses to the previous allegations as if fully set forth herein.

191. No response is required to the allegations in this paragraph because the Punitive Damages cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

192. No response is required to the allegations in this paragraph because the Punitive Damages cause of action was dismissed by the Memorandum Decision and Order of the Court dated September 13, 2010. The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

Prayer for Relief

The allegations of this paragraph constitute a conclusion of law to which no response is required. To the extent a response is required, the allegations are denied.

Jury Demand

Plaintiffs' statement regarding a jury trial and jury demand contain no allegations to which a response is required.

Each and every allegation in plaintiffs' complaint that has not been specifically admitted is hereby denied.

FIRST AFFIRMATIVE DEFENSE

(Failure to State a Claim)

Plaintiffs' claims fail to state a claim against Sedaghaty for which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

(Causation)

There is no causal connection between any of Sedaghaty's activities and plaintiffs' injuries.

THIRD AFFIRMATIVE DEFENSE

(Causation)

No act or omission of any agent, servant, or employee of Sedaghaty proximately caused any harm or damage to plaintiffs.

FOURTH AFFIRMATIVE DEFENSE

(Causation)

Sedaghaty's activities were not the proximate cause of any harm or damage to plaintiffs.

FIFTH AFFIRMATIVE DEFENSE

(Scienter)

Plaintiffs fail to adequately allege scienter on Sedaghaty's part.

SIXTH AFFIRMATIVE DEFENSE

(Other Tortfeasors)

Plaintiffs' damages and injuries were caused by other individuals or entities who are, or are not, named as parties to this action.

SEVENTH AFFIRMATIVE DEFENSE

(Improper Venue)

This Court is not the proper venue for plaintiffs' claims against Sedaghaty.

EIGHTH AFFIRMATIVE DEFENSE

(Subject Matter Jurisdiction)

This Court does not have subject matter jurisdiction over plaintiffs' claims against Sedaghaty.

NINTH AFFIRMATIVE DEFENSE

(Personal Jurisdiction)

This Court does not have personal jurisdiction over plaintiffs' claims against Sedaghaty.

TENTH AFFIRMATIVE DEFENSE

(Estoppel)

Plaintiffs are estopped from receiving the relief requested against Sedaghaty.

ELEVENTH AFFIRMATIVE DEFENSE

(Statute of Limitations)

Plaintiffs' claims against Sedaghaty are barred, in whole or in part, by the applicable statute of limitation(s).

TWELFTH AFFIRMATIVE DEFENSE

(Punitive Damages)

Plaintiffs' claims for punitive damages against Sedaghaty are barred because Sedaghaty's activities, as alleged by plaintiffs, were not committed with intent, malice, willful and outrageous conduct aggravated by evil motive, or reckless indifference, and none of Sedaghaty's activities in any way were intended to, or did harm, the plaintiffs in this action.

THIRTEENTH AFFIRMATIVE DEFENSE

(Joint or Several Liability)

Defendant is not liable for plaintiffs' damages based on the doctrines of several liability and/or combined or comparative fault, under N.Y. C.P.L.R. § 1601 *et seq.*

FOURTEENTH AFFIRMATIVE DEFENSE

(No Double Recovery)

Plaintiffs have waived their claims based on the doctrine disallowing double recovery and/or the doctrine of election of remedies.

FIFTEENTH AFFIRMATIVE DEFENSE

(Collateral Source)

Plaintiffs have waived their claims based on the collateral source doctrine.

SIXTEENTH AFFIRMATIVE DEFENSE

(Subrogation)

Plaintiffs have waived their claims based on the doctrine of subrogation and/or the

doctrine of equitable subrogation.

SEVENTEENTH AFFIRMATIVE DEFENSE

In response to plaintiffs' claims, Sedaghaty intends to invoke any other defenses, including affirmative defenses, as they may become apparent through discovery, and reserve the right, in accordance with the Federal Rules of Civil Procedure and the Local Civil Rules of the United States District Court for the Southern District of New York, to assert such defenses.

Sedaghaty requests that the Plaintiffs' Complaint be dismissed with prejudice as to him, and that the Court award attorney's fees and costs to Sedaghaty in defending against a case with no factual or legal basis against him, and award any other relief that the Court deems just under the circumstances.

Respectfully submitted,

/s/ Lynne Bernabei

Lynne Bernabei D.C. Bar No. 938936
Alan R. Kabat D.C. Bar No. 464258
Bernabei & Wachtel, PLLC
1775 T Street, N.W.
Washington, D.C. 20009
(202) 745-1942

Attorneys for Defendant
Perouz Sedaghaty

Dated: October 15, 2010

CERTIFICATE OF SERVICE

I hereby certify that on October 15, 2010, I caused the foregoing to be served electronically on counsel of record by the Court's Electronic Case Filing (ECF) System, pursuant to ¶ 9(a) of Case Management Order No. 2 (June 16, 2004).

/s/ Alan R. Kabat

Alan R. Kabat